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COMMONWEALTH OF VIRGINIA

STATE CORPORATION COMMISSION

AT RICHMOND, DECEMBER 21, 2001

COMMONWEALTH OF VIRGINIA, ex rel.

STATE CORPORATION COMMISSION

CASE NO. PUE010072

CASE NO. PUE980628

CASE NO. PUE000567

v.

AUBON WATER COMPANY,

Defendant

ORDER GRANTING REQUEST FOR
APPROVAL TO TRANSFER ASSETS

Pursuant to the Suspension Order issued by the State Corporation Commission ("Commission") in the above-captioned consolidated cases on October 24, 2001, the Receiver, David G. Petrus, was ordered to file a completed Chapter 5 Transaction Summary in support of the Receiver's Request for Approval to Transfer Assets ("Receiver's Request") filed September 7, 2001.¹

The Receiver filed his completed Chapter 5 Transaction Summary and an agreed extension of the agreement to transfer Aubon's Franklin Heights assets to the Town of Rocky Mount, which extended the agreement through December 31, 2001.

¹ Pending receipt of the completed Chapter 5 Transaction Summary and Staff's filing of its report thereon, consideration of the Receiver's Request was suspended and the Receiver was further ordered to file any extensions obtained of the agreement to transfer Aubon's Franklin Heights assets to the Town of Rocky Mount.

On December 18, 2001, a Staff Report was filed on the Receiver's Request. The Staff concluded that the proposed transfer of two parcels of real estate owned by Aubon Water Company ("Aubon") to the Town of Rocky Mount ("Town"), together with approval of the Commitment Agreement between Aubon² and the Town for the subsequent service and transfer of Aubon's customers to the Town, will not have any adverse impact on the provision of adequate service to the public at just and reasonable rates, thus satisfying the requirement of the Utility Transfers Act.

The Staff recommends approval of the transfer of the two parcels of real estate and of the Commitment Agreement, subject to two conditions. First, Staff recommends that a report be submitted on behalf of Aubon to the Commission's Director of Public Utility Accounting which provides notice of the dates the transfers take place and that said report be submitted within thirty (30) days of the final transfer. Said report shall include notice of the transfer of both parcels. Second, the Staff recommends that Aubon (by its Receiver) submit a report to the Commission's Division of Energy Regulation, within thirty (30) days of receipt of the \$50,000 consideration paid by the Town, which includes a plan detailing how the \$50,000 can best

² The Commitment Agreement is executed by the Receiver on behalf of Aubon.

be expended for the benefit of Aubon's customers. Staff recommends that Aubon (and its Receiver) be prohibited from expending any portion of the \$50,000 consideration received from the Town without prior approval of the Commission.

There being no objection to the Staff Report, the Commission now finds that the Receiver's Request should be granted, subject to both conditions recommended by the Staff.

Accordingly, IT IS ORDERED THAT:

(1) The Receiver's Request for Approval to Transfer Assets to the Town of Rocky Mount and for approval of the Commitment Agreement is hereby granted, subject to the conditions recommended by Staff, as found above.

(2) These cases are hereby continued, pending further order.